



STATE OF MICHIGAN

**Family
Independence
Agency**

Memo

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To: Jim Beougher, Director
Child and Family Services Administration

Date: March 27, 2002

From: Rita Barker, Director
Office of Internal Audit

Subject: Audit of Lighthouse/PATH, Contract # TSH-00-63001
Period: 10/1/00 - 12/31/01
Audit #2002-151

Lighthouse/PATH entered into contract number TSH-00-63001 with the Michigan Family Independence Agency (FIA) to provide Transitional Supportive Housing to people who are homeless as a result of domestic violence, home fires, or eviction. Lighthouse/PATH is reimbursed for actual costs incurred for the TSH contract, through submission of monthly billings to FIA. The contract is for 3 years in the amount of \$178,507 for each year, and covers the period October 1, 1999 through September 30, 2002.

We performed an audit of the costs submitted for reimbursement by Lighthouse/PATH for the period October 1, 2000 through December 31, 2001. We performed audit tests that we determined were necessary to determine if costs charged were proper, accurate, and charged in accordance with the terms of the contract. In addition, we reviewed client case records to determine if they contained information to document that services were provided in accordance with the terms of the contract.

Based on our audit, we concluded that the costs charged were proper, accurate, documented, and charged in accordance with the terms of the contract for fiscal year 2001. We noted that for the current contract year, the salaries and fringe benefits were underbilled by \$14,140 and \$439 respectively, and the contractual services line item was overbilled by \$2,209 due to a math error. The contractor agreed to adjust these amounts in future billings.

In addition, we selected a sample of 13 of the 29 cases on the Resident List dated March 2002. We reviewed the case files and determined that there was sufficient documentation that services were provided in accordance with the terms of the contract.

Please contact me if you have any questions regarding this audit.

c: S. Davenport
D. Cain

M. Jasonowicz
A. Shah

M. Mehren